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## **Grupa Azoty ZAK puts online new projects worth PLN 45m**

**PLN 45m is the total value of new important capital investment projects implemented in Grupa Azoty ZAK S.A.'s fertilizers and OXO segment.**

The completed projects include partial modernisation of the ammonia line, expansion of urea solution production capacity and a project enabling waste gas streams to be used in generating steam for the OXO unit. On Wednesday, February 10th, the Management Board of Grupa Azoty ZAK S.A. presented a summary of the completed capex projects, which will add new capacities, reduce production costs, and lessen environmental impacts for the Company. 2015 was also summed up as the year with a record-high capital expenditure budget of approximately PLN 260m.

"Expansion projects are a mainstay of any company which builds its future on innovative thinking. We are very glad to see new projects come online, because they are a good example of this attitude – in 2015 we used 93% of funds earmarked for investment, which is unprecedented in the Company's history. Our 2015 capex budget totalled PLN 263m, and this year the figure will be still higher, at PLN 380m. The Company receives strong support from the Grupa Azoty Management Board, and its projects serve to deliver the group-wide Strategy until 2020," says Adam Leszkiewicz, President of the Management Board of Grupa Azoty ZAK S.A.

One of the most important investment projects of 2015, with a budget in excess of PLN 30m, consisted in the modernisation of the ammonia line, under which the ammonia synthesis reactor's interior was replaced, a new, more efficient condensation system for non-pressurised ammonia storage was installed and launched, and a purge gas separation unit was constructed. The project's benefits include reduced production costs and greater ammonia production capacities in the manufacture of nitrogen fertilizers, which translates into annual savings of close to PLN 2m for the Company. The completed project to intensify the production of urea solutions involves an expansion of the urea solution storage and loading facilities. NOx<sup>®</sup> production capacities will increase from 50 thousand to 100 thousand tonnes per annum, with loading capacities set to double, which will allow Grupa Azoty to reach out to new customer groups and strengthen its position on the PULNOx<sup>®</sup> and NOx<sup>®</sup> markets. The project, which has a value of nearly PLN 7m, is yet another exemplary pro-environmental investment, as the new unit generates no waste or emissions.

The Company has invested close to PLN 8m in a project enabling waste gas streams to be used in generating steam for the OXO unit, which involved the construction of two high-power steam generators, together with auxiliary infrastructure. Thanks to the new steam generator facility, the Company is not only able to optimise its OXO production costs, but also reduce its environmental impact by cutting coal consumption and dust emissions.

\*\*\*Acting pursuant to the Strategy of the Grupa Azoty Group for 2013–2020, its Operationalisation and the Growth

Strategy of Grupa Azoty Zakłady Azotowe Kędzierzyn S.A. for 2015–2020 and until 2025, the Company is consistently implementing its comprehensive development and investment programme. In 2015, the Company expanded its product mix with the introduction of Oxoviflex<sup>®</sup>, the first Polish non-phthalic plasticizer, and liquid urea ammonium nitrate fertilizers (UAN), placing two new production units in service.